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1955

Government
Publications

Gardiner, Frederick G

Budget address delivered to
the Council of the Municipality
of Metropolitan Toronto

Government
Publications



BUDGET ADDRESS

delivered by

FREDERICK G. GARDINER, Q.C.

Chairman of the Council of
The Municipality of Metropolitan Toronto

to

The Council of
The Municipality of Metropolitan Toronto

On Tuesday, April 26th, 1955

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WHEN the first metropolitan budget was adopted a year ago we were entering upon an uncharted course which made it difficult to estimate with precision what our net expenditures would be for the year. In retrospect it is interesting to see how our estimates of a year ago compare with our actual expenditures.

1954 ESTIMATES AND TAX RATE

The estimated gross expenditures for current purposes in 1954 was \$56,223,436, and the estimated revenue from provincial grants, water charges and sundry other revenues was \$21,278,337, which left \$34,945,099 to be met by levies against the constituent municipalities in the ratio of their individual total assessments to the aggregate assessment in the whole metropolitan area.

These levies were reflected in a metropolitan tax rate of 14.7 mills.

1954 ACTUAL EXPENDITURES

The actual gross expenditures of the Metropolitan Corporation for 1954 amounted to \$55,029,740, which included provision of \$653,500 to repair the damage to metropolitan services caused by the hurricane in October 1954. Current revenues exceeded current expenditures by the amount of \$1,965,373 as follows:

Education	\$1,275,624
General	621,293
Waterworks	68,456
	\$1,965,373

which, with the exception of the waterworks surplus, has been applied in reduction of the current requirements for 1955.

1955 ESTIMATES AND TAX RATES

Mr. G. A. Lascelles as Finance Commissioner is presenting today the second budget of the Metropolitan Corporation. It conforms with the clarity and precision of the many budgets which he presented to the Council of the City of Toronto and the first metropolitan budget which he presented last year.

This year's estimates anticipate a gross expenditure for current purposes of \$62,528,455 of which it is estimated \$26,493,899 will be met by provincial government grants, water charges and sundry other revenues and \$36,034,556 will be met by levies against the constituent municipalities. These levies will be reflected in a metropolitan tax rate of 13.7 mills which is one mill less than the 1954 rate.

1955 ASSESSMENT AND POPULATION

The metropolitan population is now 1,251,840 and the total metropolitan assessment is \$2,705,146,554. The distribution of population and assessment is as follows:

<u>Municipality</u>	<u>Assessment</u>	<u>Population</u>
Toronto	\$1,571,760,768	682,415
North York	265,653,626	130,766
Etobicoke	201,176,852	83,169
Scarborough	177,066,310	95,706
York Township	169,685,328	106,695
East York	99,707,127	68,812
Leaside	59,577,211	16,873
Forest Hill	54,924,980	18,664
New Toronto ...	34,232,269	9,807
Mimico	20,585,075	12,383
Weston	18,613,383	8,569
Swansea	18,467,367	8,718
Long Branch ...	13,696,258	9,263
Total	\$2,705,146,554	1,251,840

METROPOLITAN TORONTO FINANCIAL POSITION

The very favourable financial position of the Metropolitan Corporation is indicated by the following statement of net debt compared to assessment:—

Metropolitan Toronto Debenture Position:

Total Metropolitan Assessment	\$2,705,146,554
Balance of Area Municipalities Debentures Assumed by Metropolitan Corporation upon Incorporation	\$ 143,207,679
Balance of All Area Municipalities Debentures Issued Prior to Establishment of Metropolitan Corporation	66,788,061
Balance of Debentures Issued by Metropolitan Corporation since incorporation	88,493,126
Total Metropolitan and Area Debentures	\$ 298,488,866
Less Self-Liquidating Debentures	
Toronto Transit Commission	\$ 68,284,400
Waterworks	30,035,765
Hydro-Electric System ...	24,609,876
	\$ 122,930,041
Total Net Debt	\$ 175,558,825
Total Assessment	\$2,705,146,554
% of Net Debt to Assessment	6.49%
Net Debt per Capita	\$140.24

As I have said upon prior occasions a percentage of net debt to assessment up to 20% is considered to indicate a sound financial position. A percentage of 6.49% is a highly satisfactory ratio.

EDUCATION

Educational costs continue to be the largest single item in the metropolitan budget, accounting for an estimated net expenditure after grants of \$22,773,201 which is 63.2% of the total net current expenditures for the year.

During the year a close and cooperative relationship was established between the Metropolitan School Board and the Metropolitan Council. Among other important matters careful consideration was given to the establishment of a satisfactory formula for a ceiling upon capital costs involved in the construction of new schools and additions; and extensive conferences were held which were attended by representatives of the Department of Education, the Metropolitan School Board and the Metropolitan Executive. In these conferences the Metropolitan Executive was ably assisted by Dr. Arvid J. Burke, Consultant to the State of New York Commission on School Buildings, whose voluntary attendance was arranged by the Rockefeller Foundation. The ceiling formula permits the expenditure of \$735 per pupil in the case of primary schools and \$1,350 per pupil in the case of secondary schools. The formula is considered to be reasonable and realistic having regard to the obligation of the Metropolitan Corporation to provide reasonably satisfactory school accommodation. All applications to the Metropolitan Council for approval of new school buildings contain a certificate as to whether the cost is within the ceiling formula.

The financing of school accommodation for our rapidly increasing school population particularly in Scarborough, North York and Etobicoke poses one of the most important and difficult problems to be solved by the area Boards of Education, the Metropolitan School Board and the Metropolitan Council. Capital expenditures for primary and secondary schools for the next ten years are estimated at \$12 million per year for a total of \$120 million.

WATER SHORTAGE—WATER SUPPLY

The lack of adequate water supply in the suburban municipalities was one of the impelling reasons which demanded some form of metropolitan government. During the year 1954 significant progress was made in solving the shortage of water. To relieve the shortage in North York where the emergency was the sharpest a twenty-four inch main was constructed from the water tower at Avenue Road and Roselawn Avenue to Bathurst Street and Hillhurst Avenue, at an estimated cost of \$250,000; a forty-two inch main was completed from the same point to Avenue Road and Lawrence and a thirty-six inch main was completed from Avenue Road and Lawrence to Duplex, the combined cost being \$680,000. Contracts have been let for the construction during 1955 of forty-two inch and thirty-six inch mains on Lawrence Avenue from Avenue Road to Caledonia Road, at an estimated cost of \$1,073,000, and tenders will be invited at an early date for the extension of forty-two and thirty-six inch mains on Lawrence Avenue to Jane Street, at an estimated cost of \$845,000.

In the eastern section of the metropolitan area tenders will be invited at an early date for the construction of forty-two and thirty-six inch water mains from Pharmacy

Avenue and Lawrence Avenue to York Mills Road and Leslie Street, at an estimated cost of \$1,716,000 and to relieve an emergent water shortage in the north-east section of North York the Metropolitan Corporation has agreed to issue debentures for the account of the Township of North York for the construction of a water main on Leslie Street from Lawrence to and along Sheppard Avenue to and up Bayview Avenue.

WATER—ADDITIONS TO PUMPING PLANTS

Our ability to supply additional water is limited by the capacity of our pumping stations. In Scarborough the capacity of the pumping plant is being increased from 14 M.G.D. to 24 M.G.D. with appropriate trunks to improve the distribution in that rapidly expanding municipality at an estimated cost of \$1,200,000. Plans are being prepared to increase the supply of water from the Victoria Park Avenue R. C. Harris water purification and pumping plant from one to two hundred million gallons per day. Specifications for this work are well advanced and tenders will be invited during 1955, the estimated cost being \$7,300,000.

Plans for the rehabilitation of the John Street pumping station have been completed by the consulting engineers and some contracts have already been awarded. The total cost of the work is estimated at \$3,800,000.

Construction of the Parkdale pumping station is practically completed. It will supply water to the western section of the metropolitan area, the estimated cost being \$1,193,000.

An addition to the high level pumping station on Poplar Plains Road was completed last summer. This plant supplies additional water to North Toronto and North York, its estimated cost being \$950,000.

SEWAGE DISPOSAL FACILITIES

The lack of adequate sewage disposal facilities was another of the impelling reasons which required the formation of a Metropolitan Government.

To provide adequate sewage treatment facilities the Ashbridge's Bay plant is being extended to give complete treatment for a 120 M.G.D. capacity, the estimated cost being \$26,000,000.

A new plant to handle 4 M.G.D. is being built at the mouth of Highland Creek with tributary trunk sewers up to Lawrence Avenue and McCowans Road. The estimated cost of this work is \$3,668,911. It will be financed under an agreement entered into between the Metropolitan Corporation and the Township of Scarborough whereby subdividers in the designated sewer area will pay \$5 per foot frontage residential, \$200 per 5,000 square feet commercial and \$500 per acre industrial when plans of subdivision are registered or building permits issued.

Plans are proceeding for the construction of a sewage treatment plant to serve the Humber watershed at the mouth of the Humber River, the estimated cost of this plant being \$14,000,000. The plant will be a complete treatment plant of most modern engineering and architectural design and it will occupy 40 acres of a 90-acre site previously occupied by the Humber Valley Golf Club. Parkland of 50 acres will surround the plant to constitute a buffer between the plant and neighbouring residential development. The use of this site for a sewage treatment plant is meeting with natural apprehension from adjacent owners. A careful and complete investigation of modern sewage treatment plants in the United States

indicates conclusively that there need be no apprehension that a sewage treatment plant of this kind will in any way damage or depreciate the value of adjacent properties, the nearest of which will be about one thousand feet away.

DON VALLEY METROPOLITAN GOLF COURSE

I have just made reference to the use of the Humber Valley Golf Club for the Humber sewage treatment plant. It is appropriate that I should indicate to the Council that when it became evident that the Humber Valley Golf Club could no longer be preserved for the purpose of a golf course proceedings were immediately undertaken to acquire from the City of Toronto 165 acres of parkland in the Don Valley on the west side of Yonge Street in Hogg's Hollow. Contracts have been let and construction is now being proceeded with for the development of an 18-hole championship length municipal golf course on this site. It is expected that it will be open for play by August or September of this year. When the golf course is completed unused portions of the property may be developed for tennis courts, archery courts and other recreational uses, and parts of it will also be made available for day camps for children.

TORONTO ISLAND—RECREATIONAL AND PARKLAND

A decision has been made that the Metropolitan Corporation shall take over the Island and develop it for recreational and park purposes. A joint Committee composed of officials of the City of Toronto and the Metropolitan Corporation are now working upon the many details which will have to be arranged so that progressively

the Island may be developed for the purposes indicated as the present leases are terminated. In due course the Island will be converted into and will be used exclusively for park and recreational purposes.

ARTERIAL HIGHWAYS

The year 1954 saw substantial progress with respect to arterial highways which is indicated as follows:

Eglinton Avenue Crosstown Highway

The Eglinton Avenue Crosstown Highway is under construction from Victoria Park Avenue to Leaside; the section from Victoria Park Avenue to Don Mills Road will be completed this year; the section from Don Mills to Leaside will be completed in 1956 and then attention will be paid to its extension westerly over the Humber River to the Malton Airport. When this highway is completed it will constitute a mid-town crosstown highway from Kingston Road on the east to the Malton airport on the west.

Lakeshore Expressway

After many conferences with the consulting engineers, the Toronto Board of Trade, the Toronto Harbour Commission and the Canadian National Exhibition the route of the Lakeshore Expressway was agreed upon. Construction is under way at both the west end and the east end. At the west end Queen Street is being extended from Roncesvalles Avenue to the Humber River through the south end of High Park. The estimated cost of this section including a bridge over the Humber River is \$5,000,000. At the east end Keating Street is being extended south of the Woodbine Race Track from Leslie Street to Woodbine Avenue and Woodbine Avenue is being

widened from the Lake to Kingston Road. The estimated cost of this section is \$2,300,000 including connections to Kingston Road and Coxwell Avenue. In respect of these two sections of the Expressway approximately \$5,000,000 will be expended in 1955. The second stage of the Expressway involves the main bridge over the Humber with connections to the Queen Elizabeth Highway which the Province of Ontario has agreed to build at its expense and the section from the Humber to Dowling Avenue which will run adjacent to the Canadian National Railway tracks through Sunnyside.

Hogg's Hollow Bridge and North Yonge Street Widening

Construction has been started on a six-lane bridge over the Don River in Hogg's Hollow and as soon as the bridge is completed Yonge Street from the northern city limits to the interchange at Highway 401 will be widened to four-lane capacity at an estimated cost for this road and bridge of \$2,300,000.

Don Valley Parkway

Engineers have been engaged to collaborate with the Metropolitan Planning Board to design the functional plans for the Don Valley Parkway.

North-West Artery

The announcement of the Department of Highways that the extension south of the Barrie Highway will be proceeded with now requires that immediate consideration be given by the Metropolitan Planning Board and the Roads Committee to the Spadina Arterial Highway and an appropriate development from the southerly terminal of the Barrie Highway.

ELIMINATION OF GRADE CROSSINGS

Plans for the progressive elimination of grade crossings have been approved by the Metropolitan Council. During 1955 construction will be commenced on the subways and overpasses necessary to eliminate the level crossing at Royal York Road and Dundas Street in the Township of Etobicoke. Other level crossings which will be successively eliminated include the C.P.R. crossing at Bloor Street West in the Township of Etobicoke and the level crossings on Eglinton Avenue East at Bellamy Road and Kennedy Road in the Township of Scarborough.

TRAFFIC DEPARTMENT

During the year the Council authorized the establishment of a traffic engineering department which has already indicated that it can make a very substantial contribution to the relief and solution of traffic congestion on metropolitan roads.

AGED PERSONS HOMES

Early in the year 1954 plans were approved for an aged persons' home at Newmarket. Construction is well under way and this home will be completed during 1955. This home will accommodate approximately 550 aged persons requiring special care. Additional sites have been acquired in Scarborough, North York and Etobicoke for aged persons' homes, for ambulatory and bed-care patients. It is intended that the first of these three homes will be started in Etobicoke in 1956.

AGED PERSONS HOMES—BEECH-HALL TYPE

In addition to the conventional aged persons' homes which I have mentioned a Metropolitan Limited Dividend Housing Corporation has been incorporated which will build 128 suites of the Beech-Hall type

for aged persons in the Township of Etobicoke and 128 suites in the Lawrence Heights Moderate Rental Project in the Township of North York. In order that this type of housing shall comply with the requirements of Central Mortgage and Housing Corporation, which will provide the financing, a fixed amount of annual taxes per unit must be established. In this respect the Metropolitan Corporation will be required to subsidize these two projects to the extent of the difference between the fixed tax rate and normal taxes. This is the only subsidy which will be provided for this type of housing. Otherwise it is self-liquidating.

LAWRENCE HEIGHTS MODERATE RENTAL PROJECT

Negotiations have now been completed and construction will soon start on the Lawrence Heights Moderate Rental Project. This is a full-cost recovery partnership venture between the Federal Government represented by Central Mortgage and Housing Corporation for a 75% interest; the Province of Ontario represented by the Department of Planning and Development for a 17½% interest; and Metropolitan Toronto for a 7½% interest. This project will provide 1100 units of semi-detached, terraced and two and three-storey apartment buildings with two, three and four bedroom accommodation to rent for \$58 to \$78 per month to provide housing for families with annual incomes ranging from \$2400 to \$4800 per year. This project will be fully landscaped and scrupulously maintained. It will be superior to the Fresh Meadows Development in New York which up to this time has been generally acknowledged as the finest development of this kind in North America.

LAND ASSEMBLY PROJECTS

Other steps to relieve the housing shortage in the metropolitan area were taken by the Metropolitan Corporation in conjunction with the Province of Ontario and the Dominion Government. These involve the acquisition of three large tracts of land which it is intended will be used for land assembly schemes. One of these is located in the Township of Scarborough at Malvern. It involves approximately 1100 acres. After these lands were expropriated litigation was commenced contesting the power of expropriation by the Department of Planning and Development. The litigation has proceeded as far as the Court of Appeal of the Province of Ontario and so far the decision has been favourable to the Department of Planning and Development. An appeal to the Supreme Court of Canada is now pending. As soon as the litigation is concluded and if the decision is favourable to the Department of Planning the Malvern Land Assembly Project will be proceeded with. In respect of this project the Metropolitan Corporation has made the necessary arrangements to provide it with water and sewage disposal facilities.

In addition to the Malvern Project two other land assembly schemes have been undertaken by the Province of Ontario. One involving 600 acres is situated in the Township of North York at Keele Street and Steeles Avenue and the other involving 500 acres is situated in Etobicoke at Kipling Avenue and Albion Road.

Each of these land assembly schemes is intended to provide moderately priced serviced land which can be sold to private builders for the building of housing accommodation which can be sold at a low and controlled price by reason of the fact that

the cost of the land does not include a very substantial speculators' profit.

JUVENILE AND DOMESTIC COURT

A site has been purchased from the City of Toronto on Jarvis Street and plans have been prepared and contracts will be called immediately for a Juvenile and Domestic Court and Observation Centre which will be one of the most modern in America. The City of Toronto Juvenile and Domestic Court has gained for itself an enviable reputation in the international field for its contribution to the solution of delinquency in children. This new Court and Observation Centre will enable Judge Stewart and his staff to make further contributions in this important field.

CAPITAL GRANTS TO HOSPITALS

The Metropolitan Corporation has undertaken responsibility for capital grants to hospitals in the metropolitan area and in this respect has assumed the commitments previously made by the City of Toronto and the County of York. In addition to those assumed by the Metropolitan Corporation it has authorized some on its own account. During 1954 a capital grant of \$250,000 was authorized for the Queensway General Hospital. A grant of \$58,000 was authorized for the Humber Memorial Hospital and \$65,000 for the Northwestern General Hospital to make their previous grants consistent with their new extension programmes. The combined grants approved by the City of Toronto and the County of York for the Women's College Hospital have been increased to a total grant of \$810,000. Grants of \$200,000 for the Salvation Army Hospital and \$181,600 to the Mt. Sinai Hospital have been approved. Recently a

grant of \$600,000 was approved for St. Michael's Hospital. The total amount of unpaid grants previously committed by the County of York and the City of Toronto and assumed by the Metropolitan Corporation, together with the grants directly approved by the Metropolitan Corporation, amount to a total of \$5,734,600. Provision is made in the 1955 budget for a payment of \$857,000 out of current account on account of these obligations. This will leave approximately one million dollars to be paid out of current account during each of the next five years. It is to be hoped that the Metropolitan Corporation does not have to answer any further requests for capital financing for hospitals during the next five years as the maximum amount which can be reasonably paid out of current funds each year has now been reached and it is considered to be inadvisable to enter upon any plan for the capitalization or debenturing of capital grants to hospitals.

FINANCING OF CAPITAL PROJECTS

A schedule of capital works to be undertaken during the next five years prepared by the Finance Commissioner indicates how important it is that the Metropolitan Corporation shall maintain a sound financial position. As long as new assessment continues at the present rate of \$106 million as was the case in 1954 the Metropolitan Corporation can conveniently and well within its financial capacity and at a reasonable interest rate undertake \$60 million of capital financing each year. This amount will have to be divided in a reasonable ratio between new school buildings and additions, the requirements of the area municipalities for their capital undertakings and the amounts required for Metropolitan projects.

I have indicated that the Metropolitan Corporation can continue to finance approximately \$60 million of capital works each year if new assessment continues to increase at approximately \$100 million per year. In this respect it is interesting to note that new assessment up to 31st March of this year amounts to \$36,743,474 which is at a rate for the first quarter of more than \$140 million per year. This indicates that Metropolitan Toronto is a very rapidly expanding municipality, and there is no evidence at present of any cessation in its rate of development.

1954 AND 1955 DEBENTURE ISSUES

Two issues of debentures were made in 1954. The first was for \$30,235,000 at an average interest rate of 3.64%. The second was for \$26,155,000 at an average interest rate of 3.55%. A third and recent issue of \$31,714,000 was sold on April 20th of this year at an average interest rate of 3.58%. As the most recent issue was for an average term of 18 years as compared to the next preceding issue for an average term of nine years, the most recent rate is a most favourable one and demonstrates the high financial standing of the Metropolitan Corporation.

NEED FOR METROPOLITAN GOVERNMENT

The progress which the Metropolitan Corporation accomplished during 1954 and which is continuing during 1955 leaves no room for any sound contention that a metropolitan form of government was not needed in this area. It has now been demonstrated that the Metropolitan Corporation can provide the metropolitan services which were so badly needed and which could not be provided under the previous political system of thirteen locally autonomous municipalities.

DEATH OF TRACY LeMAY AND HARVEY C. ROSE

I regret that the year 1954 records the death of two of our senior and highly respected officials. Mr. Tracy LeMay was for many years Director of the City of Toronto and Metropolitan Toronto Planning Boards. Many of his ideas are now being translated into green belts, bridges and highways which will stand as a monument to the contribution which he made to the development of this great city.

Mr. Harvey C. Rose was for many years the Chief Engineer of the Toronto and York Roads Commission and of the County of York. He was the first Commissioner of Roads for the Metropolitan Corporation. The Toronto and York Suburban Roads System and many metropolitan roads and bridges will be continuing evidence of his contribution to York County and Metropolitan Toronto.

ACKNOWLEDGMENTS

In conclusion I desire to thank the heads of departments, the deputy heads of departments and their staffs for their consistent energetic services during the year and for their assistance to this Council in the discharge of the challenge we accepted to make Metropolitan Toronto one of the finest cities on the North American Continent.

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